

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:273

ANSWERED ON:24.07.2001

REVIVAL OF UNDERTAKINGS AND FERTILIZER UNITS IN WEST BENGAL

PRIYA RANJAN DASMUNSI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government are aware of the fact that Central Pharmaceutical Public Sector units and fertilizer units in West Bengal are facing severe manpower management crisis, lack of cash credit, working capital and modernisation;

(b) if so, whether the Union Government propose to take steps involving West Bengal Government for a joint initiative to revive these units to enhance the pharmaceutical production and fertilizer to the requirement of the State with a comprehensive modernisation package; and

(c) if so, the latest position of each unit's work force and the financial position as on date?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI S.B. MOOKHERJEE)

DEPARTMENT OF CHEMICALS AND PETROCHEMICALS

(a) to (c) : There are three Central Public Sector Undertakings, namely, Bengal Chemicals & Pharmaceuticals Ltd. (BCPL), Bengal Immunity Ltd. (BIL) & Smith Stanistreet Pharmaceutical Ltd. (SSPL) in Pharmaceutical Sector located in West Bengal. Since these companies were incurring losses continuously for many years, these were referred to BIFR under SICA 1985. The revival packages were also sanctioned by BIFR for these companies. The revival package for BCPL is under implementation. While declaring the revival package sanctioned for BIL as failed on 5th April, 1999, BIFR also directed for conducting a techno-economic viability study of the company which has since been completed by IIM Kolkata. As regard SSPL, BIFR declared the sanctioned schemes as failed on 17th October, 2000 and inter-alia directed the Operating Agency (IIBI) to issue advertisement inviting offers for the take over/leasing/ amalgamation/ merger for rehabilitation of the company. The advertisement appeared in the newspapers on 9th February, 2001 but no response has come. In the meantime Government is providing financial support through non-plan loan assistance to BIL and SSPL to meet the salary and wages of their employees.

Such assistance has been released upto May, 2001.

DEPARTMENT OF FERTILIZERS

(a) to (c) The two fertilizer units of the Hindustan fertilizer Corporation of India (HFC) are located at Haldia and Durgapur in West Bengal. Since HFC was incurring continuous losses, it was declared sick by BIFR in November, 1992. While a decision has already been taken by the Government to close/ hive off the Haldia Fertilizer Project which could never be commissioned owing to techno-economic non-viability, the operations of the Durgapur unit had to be suspended due to a fire in the primary reformer top. The sustained and viable operations of the Durgapur unit is not feasible unless a complete revamp of the plant is undertaken, which is hampered by budgetary constraints and high cost of production. The rehabilitation proposal for HFC including Haldia and Durgapur units, was considered by the competent authority in the Government on 31.5.2001 and a Group of Ministers has been constituted to examine the proposals and submit its recommendations. In the meantime Government is providing financial support through non-plan loan assistance to HFC to meet the expenditure on the standing charges (salary/wages and preservation cost) of its non-functional units and the working capital requirements of the functioning units.

Such assistance has been released upto July, 2001.